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Report Highlights:

Bulgaria is a new and rapidly developing market economy and is easily affected by fluctuations in the world market. In 2009, the economic growth rate dropped by 4.95% due to the global recession – however, economic growth in 2010 is forecasted to be 0.2% and 3.6% in 2011. As a result of recent political changes, Bulgaria's relations with the EU are improving, and trade is expected to increase in order to contribute economic benefits in the future. Bulgaria is recognized as an excellent gateway for trade expansion into the wider EU market. Bulgarian market, rapidly expanding, is not well known by the U.S. agricultural exporters. The annual e US agricultural exports to Bulgaria are around 20 million USD (ranging between USD 14.0 and USD 58.0 million over the last 5 years, source; USDA/BICO reports, U.S. Customs) . In 2010, agricultural and food imports in Bulgaria are around US$2.513 .

General Information:

I. Market Overview

General Economy

Bulgaria is a new and rapidly developing market economy, with gradually decreasing government involvement in foreign investment and trade. For comparison in the beginning of the transition to market economy in 1989, the share of private sector employees was practically 0%, and at the end of 2010 it employs nearly ¾ (74%) of employees. Incoming foreign investments during the last few years mainly in the construction sector and the real estate market become the engine of the economy. Foreign investments generated 11% of country GDP in 2008. Exports of industrial supplies, consumer goods, fuels and lubricants, generate 31% of the GDP and also contribute to the country's economic development. However, this dependence on exports and foreign investments also makes the local economy vulnerable to global demand fluctuations. In 2009, the economy suffered a 4.95% decline in economic growth due to the global economic recession. The decline has its origins mainly in reduced foreign investments in the real estate sector. Before the global recession, Bulgarian GDP was growing at a rate of about 5-6% each year. According to the Bulgarian Ministry of Finance, the economy was growing with 0.2% for 2010 and economy is expected to grow 3.6% for 2011. Indicators of economic revival are found in reducing of the unemployment during the last months and the solid increasing of Bulgarian export over the level from the last year before the recession – 2008.

Bulgarian economy is going through fundamental restructuring during the transition to market economy. In 1989 Bulgaria's leading trade partner was the Soviet Union. About 65% of Bulgarian exports were directed to the USSR, and 53% of Bulgarian imports were coming from the Soviet. In 2010 just 2.8% of Bulgarian exports are directed to Russia, and from Russia Bulgaria receives 16.1% of its imports – mainly energy resources. Today the major trade partner of Bulgaria is the EU. The Bulgarian exports share to the EU is 60.9%, and its import share from the EU – 58.7%.
Bulgarian services' sector has been growing steadily from 43.0% of GDP in 1991, to 73.0% of GDP, as of 2009. At the same time, agriculture has been decreasing from 14.2% and now it contributes to 5.6% of GDP. Industry has been decreasing too from 42.8% to 21.4% between 1991 and 2009.

The chart below illustrates Bulgarian's economic situation in recent years.

National Economy	**2007**	**2008**	**2009**	**2010**
GDP (million USD)	42,116	51,821	48,722	47,483
GDP per capita (USD)	5,498	6,798	6,423	6,289
Economic Growth Rate (%)	+ 6.45	+ 6.19	- 4.95	+0.20
USD à BGN Exchange Rate	1 → 1.42904	1 → 1.33720	1 → 1.40670	1 → 1.48420

Source: National Statistical Institute Bulgaria, Bulgarian National Bank

Leading Bulgarian trade partners today are EU Member States, neighbor countries and Russia. Both by import and export, main trade partners of Bulgaria are Germany with market share of 11.2%, Russia (10.2%), Italy (8.4%), , Romania (8.0%), Greece (6.9%) and Turkey (6.8%).
The USA does not pertain to Bulgaria's leading trade partners. The USA receives around 1%-2% of Bulgarian exports. Imports from USA provide about 1% of total Bulgarian imports. Such data indicates that the trade relations between Bulgaria and USA are not yet intensive and that there are good opportunities for further development in the future.
The decrease of GD P and foreign investments in Bulgaria due to the economic crisis is influencing negatively on imports of goods from the USA. As a whole, imports of goods in the country are decreasing, and that applies harder to the goods with investment purpose.
In spite of the crisis and reduction of population, the physical volume of consumption of food and edible fishery products increases by 2%-3% annually. Prices of the food and edible fishery products have increased strongly in the recent years, which combined with the increase of physical volume of consumption leads to an increase of 6%-7% per annum in the value of food and edible fishery products sales .

Advantages

Increase of consumption of food and edible fishery products has created prerequisites for an increase of their import.
Migration of people from rural to urban areas continues at a rapid pace.
Bulgarian market is accessible by sea.
Growing food processing industry at a rate of 6-8% annually is looking for new imported food ingredients.
Bulgarian domestic distribution systems are efficient.
Marketing costs to increase consumer awareness are low.

Challenges

Bulgarian membership in the European Union has put the US exporters in a less comfortable position than those in the EU member states because of the imposed duties.

Bulgarian domestic producers are receiving European funding to upgrade production efficiency and product quality.
Bulgarian farmers increase agricultural production, reducing demand for imports in the country.
Declining population adversely affects consumption of food and edible fishery products.
The increase in the exchange rate of the U.S. dollar puts U.S. exporters at a disadvantage compared with exporters of the eurozone. Bulgarian lev has a fixed exchange rate against the euro.

The chart below demonstrates Bulgarian's export and import statistics in recent years.

International Transactions	2007	2008	2009	2010
Total Exports (FOB) (million USD)	18,493	22,238	16,266	20.542
Exports to EU (FOB) (%)	62.2 %	60.0 %	64.9 %	60.9%
Exports to the U.S. (FOB) (%)	2.3 %	1.6 %	1.6 %	1.4%
Total Imports (CIF) (million USD)	29,920	36,703	23,463	23,463
Imports from EU (CIF) (%)	58.5 %	56,7 %	60.0 %	60.0%
Imports from the U.S. (CIF) (%)	1.1 %	1,1 %	0.8 %	0.7%

Source: Bulgarian Statistical Institute Bulgaria

Geography and Demographics

Bulgaria is strategicially located in South-East Europe, on the commercial route between Europe and Asia. Bulgaria has a population of 7.537 thousand people (2010 year) and a total area of about 111,002 square kilometers, it is densely populated with roughly 68 persons per square kilometer. 63,765 square kilometers of Bulgarian territory is agricultural land, 37,158 square kilometers/sq.km. are forestry; 4,603 sq. km. are settlements and other urbanized areas; 2,010 sq. km are water flow and water areas; 2,711 sq/km. are territory for mining and quarrying raw materials; and 755 sq.km. are transport and infrastructure territory. Sofia is Bulgaria's capital with a population of over 1.250 thousand people. Sofia is situated in the South-Western Bulgaria. The second and third largest cities in Bulgaria are, respectively, Plovdiv in Central South Bulgaria, with population about 348 thousand people, and Varna in the west coast of the Black Sea, with population of approximately 321 thousand people (2010 year). Bulgarian population has been decreasing recently. Senior citizens over 65 years currently make up over 17% of the Bulgarian population, a figure which will continue to grow as birth rates are low and life expectancies increase. Health care and medicine are currently in high demand with the senior population in Bulgaria. Expenses for seniors` health care will increase in the future. Meanwhile, the traditional model of nuclear family (married with two children) is gradually replaced by the model of cohabitation and one child. During the last few years a slight birth rate increase is registered, but not as a consistent tendency.

In Bulgaria there is a significant difference in consumer behavior of young working people and elderly retirees. Young workers earn higher incomes, and hence greater consumption. Young people are buying better quality products, visit restaurants, go on holidays and other. In contrast, older pensioners receive lower pensions and limit themselves to the most pressing. The average annual salary in Balgaria is $ 5.523 and the average annual pension is $ 1.871. This shows that young people have three times the purchasing power of pensioners. It has been noted that the number of pensioners in the country is close to 2,250 million people or otherwise they are equal to one third of the population. There are significant differences between big cities and small towns and villages. In major cities, employment is high, income too and young people are aiming for them. In contrast, in small towns and villages unemployment is high, the income is low and consumption has shrunk, with many of the food

and beverages being produced by the people themselves.
In Bulgaria, only 3% of the people define their income as high, and 36% as average. The remaining 61% defined it as low.

The chart below illustrates the average demographics in recent years.

Bulgarian Demographics	**2007**	**2008**	**2009**	**2010**
Birth Rates (%)	9.8	10.2	10.7	11.0
Death Rate (%)	14.8	14.5	14.2	13.9
Age Structure 0 – 14 yrs (%)	13.4	13.4	13.6	13.6
Age Structure 15 – 64 yrs (%)	69.3	69.2	68.9	68.8
Age Structure 65+ yrs (%)	17.3	17.4	17.5	17.6

Source: Bulgarian Statistical Institute Bulgaria

II. **Exporter Business Tips**

Import Agents

Except for major importers with their own offices in Bulgaria, the appointment of an effective import agent is a critical decision. Invaluable background information can be provided by representatives from the Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA) http://bulgaria.usembassy.gov/fas.html, U.S. Embassy or representatives of commodity or trade associations such as the American Chamber of Commerce in Bulgaria of Sofia. See their website at http://www.amcham.bg for a full list of U.S. Producer Association offices located in Bulgaria.

Although factors will vary from case to case, key issues to be considered include:

- What is the extent of the agent's network of distributors, owned or leased storage capacity, and owned or leased transportation arrangements? In particular, does the agent have strong contacts with the responsible purchasing officers in the target sales channels?
- Does the agent have a high proportion of direct-to-market channels or are they heavily dependent on multiple distribution levels?
- Is the agent developing -value-added communications and promotions or are they dependent on price discounts as major sales tool?
- Does the agent have complementary product lines? Although cases vary, exclusivity can provide better incentives to the agent and can help the exporter to maintain improved supervision over price and product integrity.
- Does the agent have connections to and networks on the other Balkan markets for future sales

expansion opportunities?

Entry Strategy

Bulgarian convenience store, supermarket, and hypermarket chains generally purchase from local importers, wholesalers, and producers. However, recent tendency is to increase the volume of direct imports to avoid higher cost of products purchased from importers and local producers. Best method to reach Bulgarian retail buyers and prospective importers initially is to contact them directly via e-mail or fax. Product catalogues and price lists are essential, and samples are very helpful. Bigger Bulgarian retail players are Metro, Billa, Kaufland, Carrefour, Penny, Lidl, Picadilly and Fantastico. U.S. suppliers can obtain useful information about them on their websites:

http://www.metro.bg/
http://www.billa.bg/
http://www.kaufland.bg
http://www.carrefour.bg
http://www.penny.bg
http://www.lidl.bg
http://www.piccadilly.bg
http://www.ff-bg.bg

The market share of retail chains , according to various estimates, is between 35% and 40%, and it is constantly growing. A prerequisite for this is the concentration of population in large cities. Retail chains in Bulgaria are constantly expanding their networks, they are among the largest investors in the country.
A visit to Bulgaria is imperative in establishing meaningful relationships with Bulgarian buyers. Personal relationships and face-to-face meetings are important. While visiting Bulgaria, it is advisable to bring along product samples to meetings with potential buyers, as many importers and retailers rely heavily upon subjective factors when deciding on new products to represent.

The typical Bulgarian businessman usually has several interests rather than a single product line. As the incomes of Bulgarian consumers increase, so does their taste in new products. In order to meet the increasing demand and need for differentiation, importers constantly keep searching for new products, including new-to-market products and new brands of certain products. On the other hand, many importers follow the customary Bulgarian pattern of collecting basic information (samples, catalogues, prices, supply schedules, etc.) initially for consideration. A trial order to test the market response might then be placed after further contact. Importers generally specialize in a certain product category, and often join with other importers to consolidate shipments for lower overall risks and costs.

Sales and Marketing

Although sales and marketing techniques in Bulgaria are in process of evolution and development, there remains a high reliance on price discounts in promotional strategies. To minimize reliance on discounting strategies, U.S. food and beverage suppliers, particularly those in higher value added categories, may benefit by focusing on market education and sales training to develop brand recognition (demand-pull) and consumer preference.

Consumer concerns for personal and family health means that foods and beverages believed to provide specific health or nutritional benefits can and often do earn a retail premium above what the market normally bears. Bulgarian consumers tend to be less concerned about cost when shopping for products believed to provide health benefits and may alter purchasing habits in order to include these foods and beverages in their diets. Bakery products, confectioneries, soups, oils and fats, and a wide range of nutritional supplements are just a few examples of product categories for which marketing strategies based on nutritional and health messages have proven highly successful. Consumers in Bulgaria are often bombarded by sensational news about food safety, which is causing increased concern and skepticism. This may provide opportunities for U.S. companies to promote brand value through an emphasis on natural products and food safety benefits.

Bulgarian Business Customs

Bulgarian businessmen are often refreshingly direct and informal in their business approaches, and do not have strict business rituals found in other countries. However, there are some local customs that are well worth observing. Greetings and gifts to mark major feasts such as Christmas, New Year's Day and Orthodox Easter are common. These holidays are key sales periods, similar to Thanksgiving and Christmas in the U.S. American companies should consider advanced timing of introducing new products to coincide with these busy holiday gift giving seasons. For example, baking companies will purchase ingredients as early as February or Mart for Easter cake sales during the Easter holiday period, which falls around April or May, depending on the Orthodox calendar.

Although agents and purchasing managers are always searching for new products, they are also very thorough in their evaluations of products. They prefer to see product samples whenever possible and will often place small trial shipments to test the market response.

One of the most popular leisure time activities in Bulgaria involves eating and drinking. Even first meetings may often be over lunch or dinner. In Bulgaria, entertainment is not only a basic tool to influence business relationships, but also considered essential to building friendships that can enhance mutual understanding. Eating and drinking are important parts of Bulgarian culture and every type of local cuisine is available on the market. More and more different ethnic foods are becoming popular every day, but the local Bulgarian cuisine is generally preserved. Local businessmen are always very gracious and will invite trade contacts to dinner and drinking toasts can usually be expected, although the high alcohol "rakia" (grape brandy) is reserved for special occasions. However, it is more and more common to drink red wine with meals and a light amount of toasting each other is important in developing trust and long-term relationships. The most popular toast in Bulgaria is "Nazdrave!" and corresponds to the English "Cheers!" When congratulated with "Nazdrave!", one is supposed just to taste one's drink, and not to empty his glass on single gulp.

Language Barrier

Speaking Bulgarian is not essential in order to do business in the country. Many people speak English, and translators are easy to find. However, written materials such as business cards and product brochures will be far more helpful if translated into Bulgarian.

Many Bulgarians strive to send their children to the finest universities in the United States and Western Europe. . Therefore, a large percentage of Bulgarian residents speak fluent English, mostly the youth, who attend English lessons and obtain different language certificates.

The American University (AUB) in Bulgaria provides very good scientific knowledge and practical skills to its students, who often progress successfully through their careers. The foreign investors often prefer the AUB graduates for business contacts.

Food Standards and Regulations

Bulgarian food standards and regulations are harmonized with those of the EU. Phytosanitary and vet control is applied to imported and exported goods with plant and animal origin. Legislation is harmonized with EU concerning the food safety and marketing standards . For each stage of the food chain from the plant and animal products to the final customer there are EU harmonized requirements for working conditions and hygiene. The local food industry has introduced the HACCP system.

U.S. companies are advised to observe strict product labeling requirements , which require that any health or nutritional claim be first assessed and approved by the Bulgarian National Veterinary Service and Ministry of Agriculture and food and then added to the prescriptions on product package. The label must also be translated into Bulgarian. It should contain the type of product, its name, the names of the manufacturer and importer, the full content of the product, shelf life and others. The country introduced some specific requirements for labeling of certain products. For example, if a dairy product contains vegetable oil its label may not contain the word "dairy product" and must be labeled indicating "product of milk". Cheese containing vegetable oils cannot be offered as cheese, but only as a "product of milk". In shops, mandatory coloring of the labels was introduced – labels of dairy products containing vegetable oils must be white.

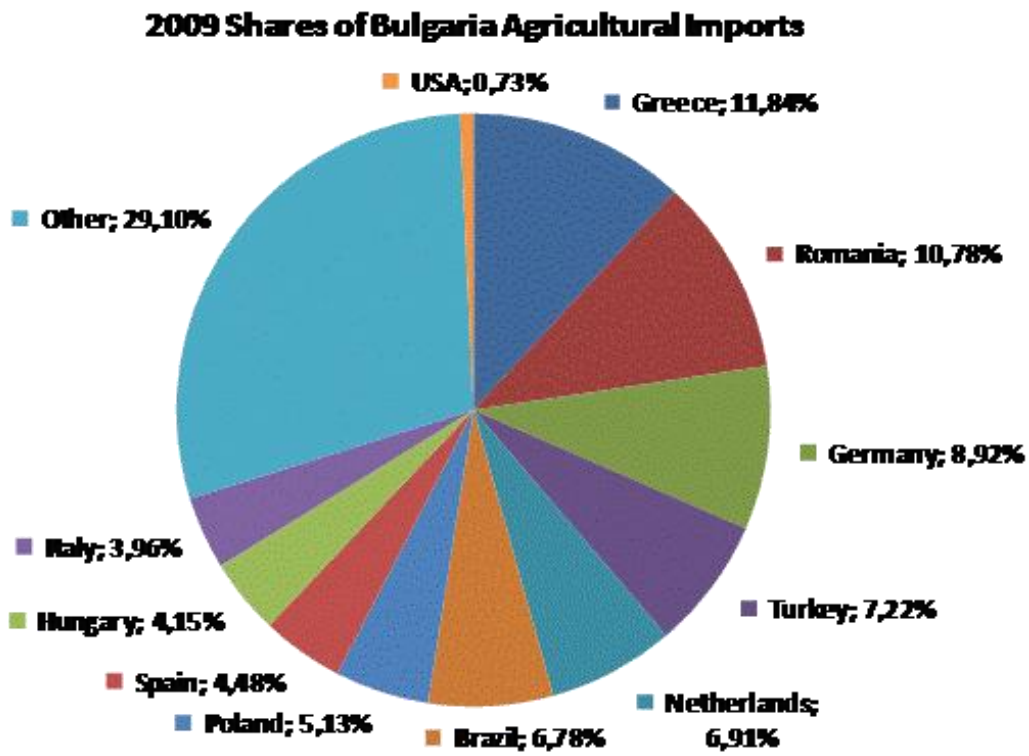
For more information on labeling requirements and food standards, especially for recently imposed requirements for organic food products, please refer to the Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA) U.S. Embassy Sofia http://bulgaria.usembassy.gov/fas.html.

III. Market Sector Structure and Trends

Food Imports

In Bulgaria 57.44% of the area is arable land. Domestically, Bulgaria produces wheat, barley, maize, sunflower, tobacco, fresh vegetables, fruits and grapes. Bulgarian exports are larger than imports with 18%. Bulgaria exports cereals, tobacco and oil seeds and imports meat, vegetables, fruits, sugar, fish and coffee. Bulgaria is a small market for U.S. agricultural exports. In 2009, U.S. agricultural products accounted for 0.73% of Bulgaria's total agricultural imports, reaching a value of $17.9 mil. USD ($19.0 million, according to U.S. Customs). In 2011, U.S. agricultural exports for the period January-April are rebounding at 83% growth compared with the same period in 2010 (source: USDA/BICO report/U.S. Customs).

The chart below illustrates the top 10 countries exporting agricultural products in Bulgaria.



Source: National Statistical Institute Bulgaria

Imports from the United States: The U.S. food products exports to Bulgaria are rather limited and varieed around $20 million annually. In 2009, the USA ranked 24 among exporters of consumer-oriented agricultural foods in Bulgaria, and 6 among the exporters of fish and seafood products. U.S. consumer-oriented agricultural foods exports are estimated at $15 million annually, exports of bulk commodities – at about $3 million, and exports of fish and seafood products - at $3 million annually. This data indicates that stable trade relations between the two countries are to be developed. Indicators of stable relations will be imports of processed fruits and vegetables, wine and fish.

Bulgaria's admission to the EU reflects negatively on imports of fruit products from the USA. Import duties are levied on the US products, unlike the duty-free EU products, meaning that the US exporters are underprivileged in comparison with EU companies. However, imports of fish and seafood products are duty-free for EU non-member states which allows the USA to import such products successfully in context of increasing imports in Bulgaria generally. The same applies to the nuts import. There are restrictions on import of U.S. poultry in Bulgaria now.

Food Processing Sector

Bulgarian food processing sector steadily increases. In 2008, its registered growth is 14.73%, and 4.72% in 2009, regardless of the global recession and increasing price of commodities worldwide. The local sector value is estimated at 6.118 mil. USD. in 2009. Local food processors benefited from the country's admission to the EU – duties for EU-imported commodities were repealed and so cheaper commodities are more easily placed on the market. The EU import duties repeal brings disadvantages for the non-EU importers. Admission to the EU, combined with increasing insufficiency of livestock and meat, caused intensifying of trade relations with EU member-states and EU meat exports to Bulgaria multiplied significantly.

Bulgarian food processing is diversified and provides almost the full spectrum of food products necessary to meet the demand on the local market, and exports a significant part of food production. Food processing sector is dominantly financed with Bulgarian capital, but significant number of foreign investors is also present. Food processors are organized in branch organizations which makes the options to contact them more accessible and open for the U.S. exporters.

Food Retail Sector

Bulgaria has a well developed retail sector and the economic recession has not affected the food market growth. Retailers begun to develop private label brands – major hypermarket/supermarket chains such as Billa, Carrefour and Metro introduced their own low cost brands. Convenience stores followed that trend, and convenience store chains such as "Fantastico" and "CBA" also have private label brands of bakery products. Despite the global recession, convenience store chains are steadily expanding.

During the last few years the major hypermarket and supermarket chains steadily expanded and today they own over 320 supermarkets and hypermarkets. Besides there are over 40,000 convenience stores nationwide, the densest network in the world, with an average of about one store per 188 people. The number of convenience stores reduced by 13% for the last 5 years due to the competition of larger retailers. The major chain stores steadily increase their turnovers at the expense of small shops and stores. In big cities the number of small retail shops decreases significantly, while in villages and small towns the number remains constant. There are still no stores established for high-income consumers who demand premium products and brands.

Big foreign retailers are entering local market aggressively and continuously expand their networks of stores. Usually when entering, they carry out large advertising. Retailers produce and distribute flyers and are trying to attract customers with lower prices of certain goods.

At the same time, large retailers pressure manufacturers and importers for lower prices and strict payment terms. Retailers provide manufacturers and importers with the opportunity to conduct promotions and tastings in stores for a fee. The fee paid for these services is around 70 dollars per day. During the holidays normally demand for food is higher . Traditionally, in Bulgaria, the major preferred meat is pork. For New Year, some Bulgarians buy turkeys, for Easter and St. George the mass buys lamb, for St. Nicholas Day and Palm Sunday - fish. Recently, Christmas cakes, not traditional for Bulgaria, are bought. For Easter, people buy or prepare special cakes and paint eggs.
Internet sales are not sufficiently developed in Bulgaria. This especially applies for food. Increasingly more restaurants offer delivery of food and drinks on site on request by internet or phone. Typically, payment is done on the spot and electronic payments are rarely used.

HRI Food Service Sector

In 2009, the global recession causeed Bulgarian food service sector to reduce by 2.21% after the 11.17% expansion in 2008. Global recession was felt later in the country than in the EU. Local food market is very dynamic, mostly because of the constant insufficiency of livestock and meat products. Reduced production results in insufficiency of these products for processors, who compensate it with increasing imports. Meanwhile the spectrum of the foods on the market is growing. Consumption habits and lifestyle in Bulgaria also change. Food consumption rapidly increases on Christmas and Easter holidays despite the fact that the traditional for other countries holiday discounts are not typical . Leading chain stores perform severe price competition nationwide. Increasing food imports and consumption create good opportunities for the US exporters.
Approximately 8 million international visitors come to Bulgaria annually. 50% are coming for holidays. The most active tourist season is the summer. Tourist visits also increase the demand of food products. On average, the number of tourists visiting the country each year increases by 5%. This generates demand for the U.S. goods that are offered in their countries.
Young double-income families preferring to eat outside are growing in numbers, because they do not have time on weekdays to buy fresh products and cook home-made meals. The establishments providing cooked meals are also multiplying and diversifying – restaurants, pizzerias, Chinese, Italian, Greek restaurants etc. Usually at weekends, restaurants are full of customers. Many restaurants offer special lunch menus during the working days. The restaurants providing a food delivery at home or at the office are also increasing in numbers. Various fast food restaurants also receive good reception – sandwich shops, grill, doner kebab, pizza slice etc. Fast food restaurants like McDonalds, KFC and Happy are very popular because of the persistent high quality of food but their market share is considerably low due to the limited number of their outlets.

Organic Foods Sector

Currently, the trend for consuming healthy products and obtaining “healthy” lifestyle is strengthening. Organic foods are still not very popular in Bulgaria, but consumers crave more natural and environmentally friendly products. Organic sector of the local food market is growing slowly because of the limited purchasing power of the consumers.

. Sales of organic foods are not high, although their supply is growing. Their volume does not exceed 5% of sold groceries. The low volume of sales is due to their prices being several times higher than those of other foods and the low purchasing power of the population. Also increasing is the number of specialized shops selling organic foods.

There are many good conditions for growing organic food but due to weak demand production is not great. Due to not high sales of organic foods, promotions are also limited. They are not advertised directly, they are usually verbally presented in agricultural and culinary television shows.

IV. **Best Consumer Oriented Product Prospects**

Product	**2009 Market Size (million USD)**	**2008 à 2009 Imports (million USD)**	**5-Yr.Avg. Annual Import Growth**	**Import Tariff Rate**	**Constraints over Market Development**	**Market Attractiveness for U.S.**
Grape Wines	**250**	29$ → 27$	25%	78E – 594E per 1 hl, depending on value and alcohol content + 20% VAT	Bulgarian wines still dominate the red and white wine market, and knowledge about wines from others country is generally low.	Bulgarian wine industry traditionally produces high quality wine. Due to the lack of wine imports during the socialist period consumer prefers mainly local brands. During the last few years, the Bulgarian market witnessed wine imports, mainly from Italy, France, Spain, Chile, and USA. Imported brands are not yet very popular, due to the low purchasing power of the Bulgarian consumer. Although there are several imported high-priced wine brands, draught wine comprises 80% of wine imports. Most consumers of mass-production wine live in the major cities, because in Bulgaria the home-made wine production is allowed and practiced in

						smaller cities and villages. , People consider the daily usage of small amount of red wine to be healthy. The import of U.S. wines is increasing for the last years and the Bulgarian consumers are becoming more aware about its high quality and diversified taste. ..
Cheese	**604**	27$ → 32$	25%	13E-103E per 100 kg varies by type + 20% VAT	The Bulgarian cheese market is dominated by local products. During the last few years German, Polish, Dutch, Czech and French cheese products are imported and successfully placed on the Bulgarian market.	The Bulgarian cheese market is highly specific. The most popular product is the white cheese – type of brine cheese. The consumption of yellow cheese (with specific local taste) also has a significant share. The semi-soft (spreadable) cheese and the blue cheese are also well accepted. There are no traditions in their production, especially regarding the blue cheese. The U.S. cheese is unknown product on the Bulgarian market. The U.S. cheese products can successfully enter in the spreadable and blue cheese segments. For the last few years imports of processed yellow cheese mainly for the restaurants had increased.
Pork	**724**	$126 → $172	19%	54E-103E per 100 kg + 20% VAT varies by type, import under non preferential quota 80E-118E per 100 kg + 20% VAT import	The locally produced pork is insufficient for the Bulgarian market demand. The import in the last few years steadily increases to compensate the lack.	Insufficiency of local product is compensated mainly with import from EU countries. Major importers are Spain, Germany, Austria and France. The American pork meat is not well known product for the Bulgarian market. The insufficiency provides various growth

				under non preferential quota, varies by type		opportunities for U.S. pork imports to meet local food producer needs.
Fresh Fruit	**230**	118$ → 122$	21%	6%-20% + 20% VAT varies by type	Competition in terms of new suppliers and new varieties from both domestic and foreign producers is intensifying, especially expensive fruit from European countries issues disrupt U.S. shipments.	U.S. fresh fruit are unknown on the Bulgarian market. Recently fresh fruit are successfully imported from South Africa and South America. Effective marketing strategies, aimed at reliable quality and competitive pricing, and brands of U.S. fruits undergone by U.S. producer associations should improve the market of U.S. fruit in Bulgaria.
Poultry	**324**	75$ → 87$	42%	27E-102E per 100 kg + 20% VAT varies by type import under non preferential quota 40E-182E per 100 kg + 20% VAT import under non preferential quota varies by type	The poultry production in Bulgaria steadily decreases, which is compensated with higher import – mainly from the European countries, but it must be noted that Brazil had achieved 12% market share.	The U.S. poultry is known on the Bulgarian market. Currently there are restrictions on import of U.S. poultry.
Tree Nuts	**120**	n.a.$ → n.a.$	n.a.	0% + 20% VAT	African countries, China and Middle East countries are the main nuts importers in Bulgaria. The African nuts are considered of lower quality, many times quality controls have registered lower standards.	The American nuts are known product on the Bulgarian market. They should be more successfully placed in Bulgaria, if the Bulgarian producers get acquainted with nuts' quality and prices.
Beef	**660**	286$ → 317$	20%	12.8% + (142E-221E per 100 kg) + 20%VAT	The beef production in Bulgaria steadily decreases. The	U.S. beef is known product on the Bulgarian market. Except from the EU,

				varies by type	insufficiency is compensated by increasing of the beef imports from the rest of the European countries.	small amount of beef is imported from Argentina. If a flexible market policy is implemented, the U.S. beef products can be successfully placed on the Bulgarian market.
Seafood	**111**	64$ → 57$	22%	0% to 20% + 20% VAT Varies by type	The Bulgarian market is supplied with various types of fresh saltwater and freshwater fish, as well as frozen sea and ocean fish. The frozen fish is well accepted by the consumers. Recently the consumption of other types of sea food is also increasing.	The high and increasing consumption of seafood in Bulgaria offers current best opportunities for U.S. exporters. Today the U.S. export supplies about 6% from the frozen fish import in Bulgaria. This share can be easily increased, because of the generally increasing sea food consumption in the country. For achieving this goal, the U.S. exporters must overcome the competition from Canada, the EU, Peru, Argentina, Chile, China, Vietnam and Thailand.

Source: National Statistical Institute Bulgaria

V. **Key Contacts and Further Information**

American Institutions in Bulgaria

Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA)
U.S. Embassy
16 Kozyak Str., Sofia 1408, Bulgaria
Tel: (359) 2-939-5774 Tel: Fax: (359) 2-939-5744
E-mail: agsofia@fas.usda.gov

United States Department of Agriculture, Foreign Agricultural Services
U.S. Department of Agriculture, Washington, D.C. 20250
E-mail: info@fas.usda.gov
Website: http://www.fas.usda.gov

Bulgarian Central Authority Agencies

Ministry of Agriculture and Food
Blvd. Hristo Botev 55 Sofia 1040 Bulgaria
Tel: (359) 2-985-11858 Fax: (359) 2-981-7955
Website: http://www.mzh.government.bg

Ministry of Health
Sqr. Sveta Nedelya 5, Sofia 1000, Bulgaria
Tel: (359) 2-981-0111
E-mail: press@mh.gevernment.bg
Website: http://mh.government.bg
Direction Public Health
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Tel: (359) 2-915-9820 Fax: (359) 2-954-9593
E-mail: secretary@nvms.government.bg
Website: http://www.nvns.government.bg

Bulgaria Customs Agency, Ministry of Finance
Str. Rakovski 47, Sofia 1202, Bulgaria
Tel: (359) 2-9594-210 Tel: (359) 2-9859-4528
E-mail : pr@customs.bg
Website : http://customs.bg

Ministry of Economy, Energy and tourism
Str. Slavyanska 8, Sofia 1000, Bulgaria
Tel: (359) 2-940-71 Fax: (359) 2-987-2190
E-mail : e-docs@mee.government.bg
Website: http://www.mi.government.bg

Major Bulgarian Trade Associations

American Chamber of Commerce in Bulgaria
Business Park Sofia, bld. 2, fl. 6. Sofia 1766 Bulgaria
Tel: (359) 2-9742 Fax: (359) 2-9742-741
E-mail: amcham@amcham.bg
Website: http://www.amcham.bg

Bulgarian Chamber of Commerce and Industry
Str. Iskar 9, Sofia 1058 Bulgaria
Tel: (359) 2-811-740 Fax: (359) 2-987-3209
E-mail: bcci@bcci.bg
Website: http://www.bcci.bg

Bulgarian Industrial Association
Str. Alabin 16-20, Sofia 1000 Bulgaria
Tel: (359) 2-932-0911 Fax: (359) 2-987-2604
E-mail: office@bia-bg.com
Website: http://www.bia-bg.bg

Association of Producers, Importers and Traders of Spirits
NDK Prono fl. 15 offices 8&9, Sofia 1414 Bulgaria
Tel: (359) 2-963-1254 Fax: (359) 2-963-1254
E-mail: apitsd@mail.bg
Website: http://www.apitsd.bg

Bulgarian Association of Dairy Producers
Zh.K. Lagera bl. 44 vh. A Sofia 1612 Bulgaria
Tel: (359) 2-953-2723 Fax: (359) 2-952-3265
E-mail: bam@mb.bia-bg.com
Website: http://www.milkbg.org

Association of Meat Producers in Bulgaria
Shipka Pass Blvd. 240 ent. A floor 3, Sofia Bulgaria
Address for correspondence pk 61 AMB Sofia 1111 Bulgaria
Tel: (359) 2-971-2671 Fax: (359) 2-973-3069
E-mail: amb@einet.bg
Website: http://www.amb.amb99.com

Branch Chamber of Industrial Bread Producers and Confectioners in Bulgaria
Srebyrna Str. 22q Sofia 1407 Bulgaria
Tel: (359) 2-969-8059 Fax: (359) 2-969-8061
E-mail: bread_industrial@abv.bg
Website: http://www.bread-indusrial.org

Association of Fish Products Producers BG Fish
Vitosha Blvd. 31-33, Sofia 1000, Bulgaria
Tel: (359) 2-981-7589 Fax: (359) 2-981-7589

E-mail: bgfish@bgfish.com
Website: http://www.bgfish.com

Union of Bulgarian Millers
Pavlina Unufrieva Str. 4, Sofia 1510 Bulgaria
Tel: (359) 2-936-7925 Fax: (359) 2-813-2600
E-mail: sbm@ins.bg
Website: http://www.ubm-bg.org

Appendix - Statistics

A. 2009-2010 Bulgaria Demographic Information

	2009	2010
Total Population (thousands)	7,564	7,537
Population Increase Rate (%)	-3.5	-2.9
Population Density (persons/km^2)	68.1	67.9
Birth Rate (%)	10.7	11.0
Death Rate (%)	14.2	13.9
Labor Force (thousands)	3,492	3,478
Unemployment Rate (%)	10.2	9.2

Source: National Statistical Institute Bulgaria

A. 2009-2010 Bulgaria Trade Information

	2009	2010
GDP (million USD)	48,722	47,483
GDP per capita (USD)	6,423	6,289
Economic Growth Rate (%)	- 4.95	+0.20
Exports (million USD)	16,266	20,542
Imports (million USD)	23,463	25,250
Agricultural Imports (million USD)	2,438	2,513
Foreign Exchange Rate (USD = NTD)	1 USD = 1.40670 BGN	1 USD = 1.48420 BGN

Source: National Statistical Institute Bulgaria

B. 2009 Bulgaria Consumer Food and Edible Fishery Products Imports

Bulgarian Imports	**World Imports (million USD)**				**U.S. Imports (million USD)**				**U.S. Market Share (%)**			
	2006	**2007**	**2008**	**2009**	**2006**	**2007**	**2008**	**2009**	**2006**	**2007**	**2008**	**2009**

Bulk Commodities TOTAL	90	171	218	209	7	5	2	1	7,8	2,9	0,9	0,4
Corn	63	76	88	84	0	0	0	0	0	0	0	0
Other cereals	27	95	130	125	7	5	2	1	24,6	5,3	1,6	0,7
Consumer-oriented Agricultural Products TOTAL	945	1,563	2,225	2,172	14	10	16	14	1,5	0,6	0,7	0,6
Dairy products and bird eggs (excl. Cheese)	32	66	124	98	0	0	0	0	0,1	0,1	0,1	0
Cheese	13	19	27	32	0	0	0	0	0	0	0	0
Fresh Fruit	65	79	118	122	0	0	0	0	0	0	0	0
Processed Fruit and Vegetables	59	106	112	134	1	1	2	1	2,4	0,9	2,5	1
Fresh Vegetables	29	101	119	136	0	0	0	0	0	0	0	0
Fruit & Vegetable Juices	14	21	29	31	0	0	0	0	0	0	0	0
Breakfast Cereals (incl. Pancake Mix)	27	77	104	124	0	0	0	0	0	0	0	0
Red Meats (Fresh / Chilled / Frozen)	184	153	286	317	4	0	0	0	2	0	0	0
Red Meats (Prepared / Preserved)	7	16	29	33	1	0	0	0	18,5	0	0	0
Poultry Meat	29	46	75	87	4	0	0	0	12,9	0	0	0
Wine & Beer	26	61	88	83	2	3	6	5	9,1	5,1	6,3	6,3
Pet Food	70	102	120	201	1	6	1	1	0,8	5,5	0,5	0,3
Other Products	390	716	994	774	1	0	0	7	0,3	0	0,7	0,9
Fish & Seafood Product TOTAL	31	35	64	57	3	3	2	3	9,3	7,5	3,8	5,7
Fish, frozen	15	14	25	23	3	2	2	2	17,8	17,1	9,2	9,5
Other Products	16	21	39	34	0	0	0	1	0,1	0,9	0,4	3,2
AG PRODUCT	1,035	1,734	2,443	2,381	21	15	18	15	2,1	0,8	0,8	0,6

S TOTAL												
AG, FISH & FORESTRY TOTAL	1.064	1,769	2,507	2,438	24	18	20	18	2,3	1	0,8	0,7

Source: National Statistical Institute Bulgaria

C. **2009 Top 15 Suppliers of Consumer Foods to Bulgaria**

Consumer-Oriented Agricultural Total (thousands USD)					
#	**Country**	**2006**	**2007**	**2008**	**2009**
--	WORLD TOTAL	1,034,653	1,734,196	2,443,198	2,380,637
1	Greece	96,156	204,281	310,019	283,558
2	Romania	55,197	160,943	265,402	260,861
3	Germany	65,076	134,595	213,373	216,368
4	Turkey	43,281	89,033	137,61	173,623
5	Brazil	250,493	97,755	133,422	165,381
6	Netherlands	52,963	143,552	196,369	164,237
7	Poland	47,014	101,332	136,799	124,096
8	Spain	21,797	43,902	83,515	103,142
9	Hungary	29,991	106,175	125,411	101,227
10	Italy	43,319	74,642	111,628	93,369
11	France	40,038	101,175	101,161	80,522
12	Austria	28,881	74,629	117,415	68,804
13	Serbia	4,591	10,258	21,313	46,505
14	Belgium	12,304	27,075	41,705	46,148
15	The Former Yugoslav Rep. Of Macedonia	11,669	47,472	33,406	44,011
24	USA	21.291	14,684	18,489	14,583
Fish and Seafood Products (thousands USD)					
#	**Country**	**2006**	**2007**	**2008**	**2009**
--	WORLD TOTAL	30,644	34,761	63,949	57,357
1	Spain	1,569	2,329	5,412	6,107
2	Greece	2,276	3,409	6,643	5,035
3	Vietnam	43	251	2,386	4,562
4	Netherlands	108	1.957	2,163	4,13
5	Canada	4,107	2,344	7,513	3,313
6	USA	2,852	2,619	2,454	3,269
7	Italy	1,74	4,631	3,855	3,251
8	Argentina	1,499	1,47	2,347	2,619
9	Turkey	47	253	2,009	2,334
10	Romania	57	308	370	1,978
11	Denmark	695	1,273	2,739	1,954
12	Lithuania	394	717	1,386	1,871

13	China	2,268	1,413	2,623	1,735
14	Norvegia	2,465	238	883	1,555
15	UK	72	242	426	1,470

Source: National Statistical Institute Bulgaria